



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

OFFICE OF THE ASSISTANT SECRETARY

05 DEC 1999

ACQUISITION POLICY 99-2

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Corporate Councils

References: (a) USD (A&T) Memorandum, "Corporate Councils," September 14, 1999
(b) USD (A&T) Memorandum, "The Single Process Initiative - A Long Term Perspective," June 3, 1998

This acquisition policy implements reference (a) (Atch 1) and is effective immediately. It provides guidelines (Atch 2) for Air Force support of contractor corporate councils, including identification of Air Force representatives. Reference (a) expanded existing USD (A&T) policy on Corporate Councils in reference (b), which provided initial guidance on the Department's relationship with Corporate Councils. Several companies have formed Corporate Councils to provide leadership for corporate-wide initiatives, strengthen the relationship with the Department, and elevate SPI proposals for corporate-wide endorsement and implementation. The goal is to accelerate the rate of acquisition reform across the defense industrial base. Corporate initiatives may be SPI proposals or other corporate endeavors designed to achieve efficiencies for the company and ultimately produce savings for the government.

To support this new policy, I will appoint senior individuals to represent the Air Force Acquisition Executive to Corporate Councils approved by the Defense Contract Management Command (DCMC). These Councils provide an interface between company representatives and senior component, Office of the Secretary of Defense, DCMC, Defense Contract Audit Agency and National Aeronautics and Space Administration and Federal Aviation Administration representatives. Air Force representatives are chartered to participate with their designated Corporate Council to coordinate the technical and business review of contractor proposed corporate proposals with affected Air Force buying activities. These representatives should elevate issues that they are unable to resolve with Air Force organizations, other Components, or the contractor to SAF/AQ for resolution. I expect Program Executive Officers, Designated Acquisition Commanders and the Technology Executive Officer to commit appropriate resources to support both Corporate and lower level management councils recognized by DCMC.

We must look for innovative approaches that lead to greater efficiency and improved products. These Councils provide an opportunity to meet directly with key corporate executives to leverage acquisition reform and other improvement initiatives across all Air Force contracts

with an entire corporation. Additional Air Force SPI policies and information is found at http://www.safaq.hq.af.mil/acq_ref/spi/ on the SAF/AQ World Wide Web home page. SAF/AQ point of contact is Mr. Ryan Bradley (SAF/AQRE; DSN 425-7830 or (703) 588-7830; Ryan.Bradley@pentagon.af.mil).



LAWRENCE J. DELANEY
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(Acquisition)

Attachments:

1. USD (A&T) Memorandum
2. Corporate Council Guidelines

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Corporate Council Guidelines

SAF/AQ Acquisition Policy Memorandum 99-2

I. PURPOSE. These guidelines establish Air Force authority, roles, and responsibilities for review, approval, and implementation of contractor corporate management council proposals.

II. OBJECTIVE. Rapid Air Force review and coordination of contractor corporate council proposals and prompt approval of acceptable proposals.

III. APPOINTMENT OF AIR FORCE REPRESENTATIVES TO CORPORATE COUNCIL. SAF/AQ will appoint a senior official to be the Air Force Acquisition Executive (AFAE) representative to a Corporate Council. SAF/AQRE will chair an SPI IPT with SAF/AQXA, AQCP, and other offices, as needed, to nominate Air Force corporate council representatives from among senior SAF/AQ personnel. The IPT will base nominations on the anticipated focus of the Corporate Council. SAF/AQRE will staff appointment memos for SAF/AQ signature.

IV. CORPORATE PROPOSAL REVIEW AND APPROVAL. The Air Force review and coordination will follow the ground rules provided in the USD (A&T) policy. In addition, the Air Force representative may streamline review of contractor proposals in coordination with the SAF/AQ Corporate Council IPT using Figure 1, attached, as a guide. In particular, Air Force review of proposals that do not have a potential impact to form, fit, function, or interface or an adverse impact, cost or essential management or business processes may be streamlined. Review may also be limited where the contractor will coordinate with affected customers to obtain approval prior to implementation on affected contracts. Additionally, Air Force representatives may limit Air Force review and/or refer the review of proposals affecting contract administration functions (see FAR 42.302) to DCMC on those processes normally delegated to DCMC. Review may also be limited for contractor business and management proposals that use processes re-engineered by DoD level IPTs where the Air Force has agreed to the re-engineered process.

V. TASKS, ROLES AND RESPONSIBILITIES FOR AIR FORCE SUPPORT OF CORPORATE COUNCILS. All affected program/buying offices are required to participate, as necessary, with the Air Force representative, the cognizant Defense Contract Management Command (DCMC) Contract Administration Offices (CAOs), and the Corporate Council in the review and implementation of contractor corporate proposals. The Air Force representative must resolve or raise issues to the AFAE, as needed, for resolution. Specific tasks, roles, and responsibilities are as follows:

A. SAF/AQ

- Appoint senior officials as AFAE representatives to Corporate Councils.
- Assist in resolution of issues with corporate proposals and elevate to SPI Executive Council, if necessary.

B. SAF/AQ CORPORATE COUNCIL IPT

- SAF/AQRE will chair and SAF/AQXA and AQCP will participate in a SAF/AQ Corporate Council IPT, along with other offices as necessary.

- Nominate senior acquisition officials as AFAE representatives to Corporate Councils approved by the DCMC.
- Assist Air Force Corporate Council representatives, as needed, obtain coordination and consensus, including any functional specialists needed for review of corporate proposals.

C. AIR FORCE CORPORATE COUNCIL REPRESENTATIVES

- Represent AFAE on assigned corporate council.
- Participate on assigned corporate council to review and achieve consensus on the preliminary disposition of contractor proposals.
- Lead Air Force review of contractor corporate council proposals.
- Work with the contractor, ACO, and other component representatives to facilitate review and coordination of contractor proposals for the Air Force.
- Coordinate with the PCO/ACO of Air Force retained contracts to ensure agreed to changes are implemented, as appropriate.
- Approve contractor corporate council proposals that are technically acceptable and can be implemented at no additional cost to the Air Force.
- Provide final Air Force position to the DCMC corporate council lead on each corporate proposal, as required.
- Coordinate and obtain consensus with affected program/contract managers on whether contractor proposals are acceptable to the Air Force.
- Elevate issues that cannot be resolved directly with affected Air Force organizations, other Components, or the contractor to SAF/AQ for resolution.

D. AIR FORCE PROGRAM EXECUTIVE OFFICERS (PEOs) AND DESIGNATED ACQUISITION COMMANDERS (DACs)

- Support Air Force review and implementation of corporate proposals.
- Coordinate and obtain consensus with affected program/contract managers on whether corporate proposals are acceptable for assigned programs.

E. AIR FORCE PROGRAM OFFICES AND BUYING ACTIVITIES AFFECTED BY A CORPORATE PROPOSAL

- Support review and implementation of contractor corporate council proposals.
- Work with the Air Force representative, CAO and/or contractor to assess the acceptability of contractor preliminary concepts and proposals relative to their products/contracts.
- Participate with corporate councils and Integrated Product Teams, as necessary, to review and facilitate implementation of acceptable contractor proposals.
- Retain responsibility for cost, schedule, and performance for assigned programs and contracts to ensure no unacceptable impacts from contractor proposals. Appointment of an Air Force Component Team Leader or Corporate Council Representative does not relieve an affected program/contract manager from the responsibility for ensuring contractor proposals do not have unacceptable impacts to business or technical requirements for their program(s)/contract(s).
- Assess program/contract cost, schedule, and performance impacts for relevant corporate proposals. Document program/contract impact(s) in writing to the PEO, DAC, or Air Force Corporate Council representative when rejecting a contractor proposal. Notification should also be made when a technically acceptable proposal has significant program/contract cost, schedule, performance, or other benefits.

Figure 1, Air Force Review of Contractor Corporate Proposals

